

strategy. So there is no attempt to restructure the Canadian economy in a way that would be more helpful.

The foreign ownership goes on, and it goes on in a vacuum. I do not think it is because the government wants more foreign ownership now. There was a time, from C. D. Howe on, when perhaps it did. Now, however, it does not want it, but it cannot do anything about it. The Canadian economy has become such that there are virtually no independent Canadian manufacturers left, certainly not of sufficient size and strength to prevent the takeover of our economy. If we want to have any investing in Canada, we have, virtually, to agree to foreign takeovers. So we go on that way. Then we have to export raw materials in order to cover our deficit or do any kind of balancing at all, which means that we have to borrow again because the development of raw materials takes a great deal of money and is very capital-intensive.

There we are, right back to where we started. We have borrowed, the interest rates are high, the dollar is too high, and we have to continue borrowing. What happens? The chickens come home to roost. It is already evident, now, that the outflow of interest and dividends far exceeds the inflow of capital. The municipalities and the provinces have borrowed from the United States because of the difference in the value of our currency. We are now afraid to drop the value of the Canadian dollar even to help the manufacturing industry, for fear that some of these municipalities which have borrowed in foreign markets may be close to bankruptcy if they have to repay in terms of evaluated American dollars vis-à-vis Canadian dollars.

We have put ourselves into a pretty box. We talked earlier about what is the point in trade. Canada has close to 27 per cent of its gross national product in trade. This is one of the highest percentages of any country in the world. What is the point? Is it trade for the sake of trading? The point is not good if on balance we are losing jobs. This is what we are doing. We are exporting, basically, raw materials which cost us jobs in the manufacturing industry. This is what is happening at a time when we have one of the highest growing labour forces in the world. It seems to be entirely the wrong policy. The kind of policy we are pursuing at the moment would suit a country with a very stable or declining population—not one which is growing and needs employment. The consequence, as my leader pointed out, is that we are approaching a level of unemployment which is the highest since the great depression, and that can be laid directly at the feet of the government and its failure to come in with a trade policy.

I want to take this opportunity to thank the Minister of Industry, Trade and Commerce (Mr. Chrétien) for inviting two members of the opposition, myself and the hon. member for Halton-Wentworth (Mr. Kempling), to accompany the Secretary of State for External Affairs (Mr. Jamieson) on a recent trade mission to Russia. That was very helpful. We learned a number of things. Despite the fact that other countries want to trade with us, we have virtually priced ourselves out of foreign markets. This is not just because of labour, because some of the things we were trying to sell contained a

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very low labour content. We found that there is no one in Canada big enough to take the risk involved in going into foreign markets.

It is difficult to put together consortiums of Canadian businessmen even though some Canadian businessmen are interested. It is difficult to put them together, despite the fact that the government had underwritten some of the trade, for instance, through the Export Development Corporation. The businesses are insured in this way through the establishment of credit with the Soviet Union, and the Soviet Union was quite willing to buy from Canada. It was quite obvious to most of us that for their own reasons, for political reasons and for reasons of friendship, the Soviet Union wants to do business in Canada and yet cannot. Yet the one instrument that might have been available to the government to solve this kind of problem was shot down by the government.

● (1610)

When we in this party proposed the Canada Development Corporation, we proposed it to make up for the deficiencies of the capital market and the entrepreneurial market in Canada. We said at that time that we needed an instrument of government policy that would put together industries and enable them to take risks collectively that they could not take on their own under the leadership of the federal government. Instead of that, the CDC has been turned into a kind of penny-ante fund so that Canadian investors can put in their five bucks and get some dividends. If that is what we need, there are lots of funds in Canada for that. What we do not have is an instrument with which to do something for industry, an instrument with which to go to foreign markets, to take risks and to have the technological know-how to deal with the giants among the international corporations.

Mr. Speaker, I want to move an amendment to the motion, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles). It reads as follows:

That the motion be amended by inserting therein, immediately after the words "generality of the foregoing", the following words:

"thus condemns the failure of the government to develop the kind of trade policy best suited to maintain high levels of employment, and"—

The remainder of the words stay as they are. To us, the point of going to international markets is to create employment for our people. Of course, there are other reasons as well. We are international citizens and we have an obligation to help other countries. If trade is one of the ways of doing it, then we should be doing it. There has been a kind of worship of trade in this country without any thought of the consequences, of whether it is good or bad, or whether the terms should be different than they are. Therefore, it seems to me that it is terribly important that this amendment be accepted, to make it quite clear that the real reason for trade is to provide employment which is so desperately needed by our people and from the lack of which our society is suffering at the moment.

**Hon. Jean Chrétien (Minister of Industry, Trade and Commerce):** Mr. Speaker, when I came into the House I was quite